Best Value For Every Dollar Spent

Tangible Result Driver – Roberta Broeker, Chief Financial Officer

Providing the best value for every dollar spent means MoDOT is running its business as efficiently and effectively as possible. A tightly managed budget means more roads and bridges can be fixed. That keeps Missouri moving. This is one of MoDOT's values because every employee is a taxpayer too!

Best Value for Every Dollar Spent

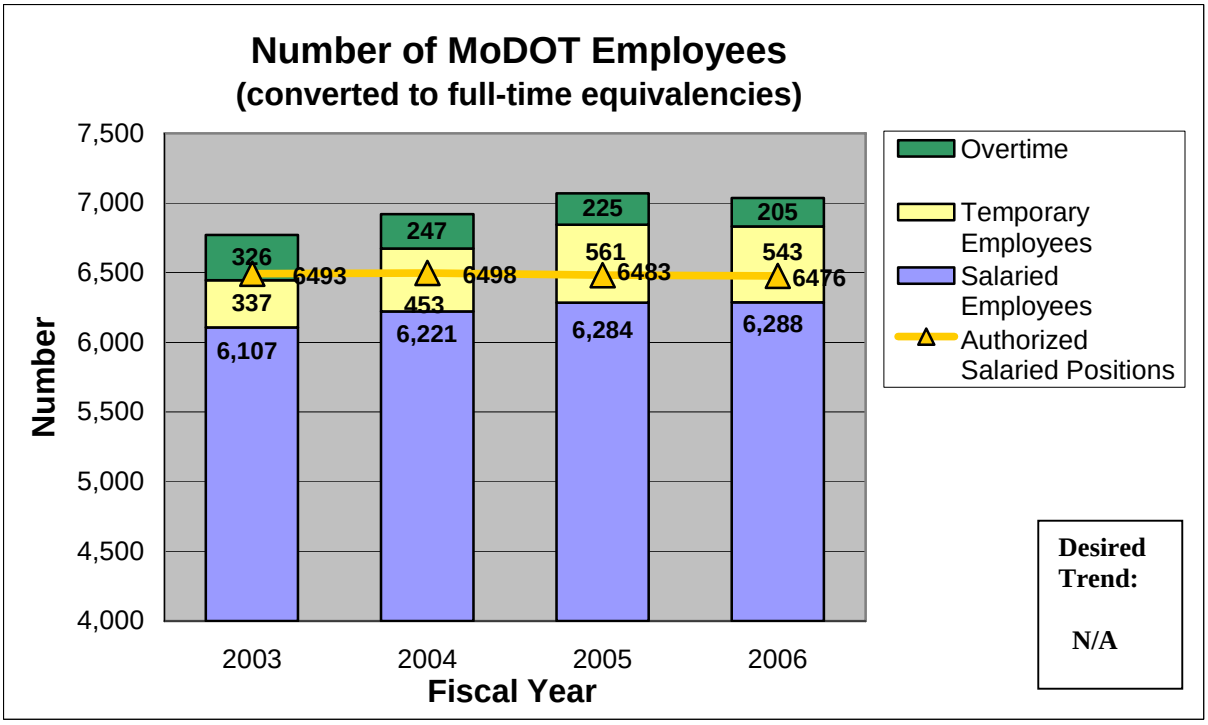
Number of MoDOT employees (converted to Full-Time Equivalency)

Result Driver: Roberta Broeker, Chief Financial Officer
Measurement Driver: Micki Knudsen, Human Resources Director

Purpose of the Measure:
This measure tracks the growth in the number of employees within the department. This measure converts salary dollars paid to temporary and salaried employees as well as the amount paid for overtime worked to Full-Time Equivalency (FTE). In order to convert these numbers to FTEs, we divided the total number of hours worked by 2080.

Measurement and Data Collection:
The data is collected and reported in the first quarter of each fiscal year. The data is a high-level view of overall staffing at MoDOT in relation to authorized positions that could be filled.

Improvement Status:
For FY 2006, MoDOT has 6,476 authorized salaried positions. As of June 30, 2006, the actual number of salaried employees was 6,341 with an additional 608 seasonal employees working for the department. Missouri had a relatively mild winter and overtime for emergency snow removal was minimal. This measure indicates that the districts have done a fantastic job of managing the increased workload associated with SRI and accelerating projects within authorizations and without considerable increase in overtime or temporary employees. Over the four years reported, a decrease in overtime has been accomplished by an increase in the use of temporary employees.



Best Value for Every Dollar Spent

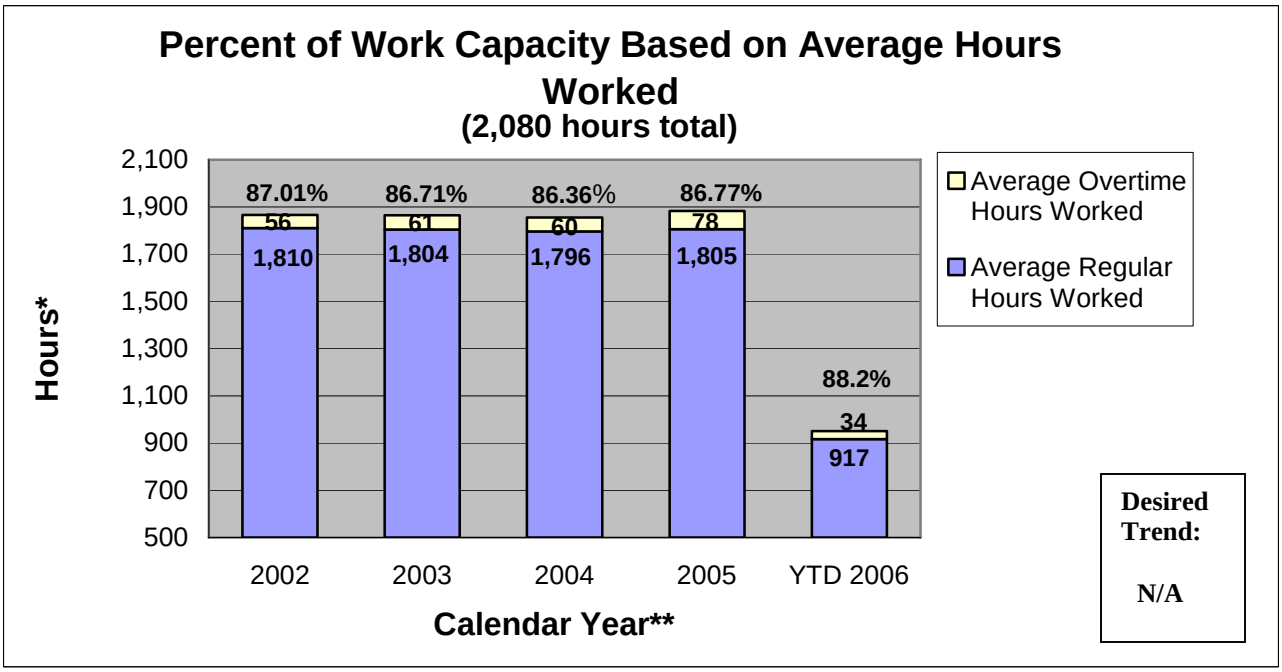
Percent of work capacity based on average hours worked

Result Driver: Roberta Broeker, Chief Financial Officer
Measurement Driver: Micki Knudsen, Human Resources Director

Purpose of the Measure:
The purpose of this measure is to track how many hours the average employee works on an annual basis. It can assist management in determining staffing and productivity levels.

Measurement and Data Collection:
MoDOT measures organizational work capacity based on average regular hours worked and average overtime hours worked by employees. This measure also displays the percentage of regular hours available that are worked. The average regular hours worked does not include seasonal or wage employees. The average overtime hours worked does not include exempt, seasonal, or wage employees.

Improvement Status:
Work capacity is slightly higher for the first half of this calendar year at 88.2 percent and employees have worked an average of 34 hours of overtime in the first six months of the year. During the most recent quarter, districts and Central Office each averaged absenteeism rates very close to 12 percent; however, The highest absenteeism rate was 13.62 percent and the lowest was 11.06 percent. During this same quarter, sick leave usage averaged 18.8 hours per employee department-wide. Human Resources (HR) staff members have shared strategies for dealing with leave misuse with all supervisors as part of the Annual Policy Review at Central Office and in nine of the ten districts. Best practices for improving leave management were shared with all HR Managers for implementation. Results of a quality assurance review on leave usages was completed and shared with the districts and divisions.



* *Annual average per employee*
** *Percentage does not include overtime hours*

Best Value for Every Dollar Spent

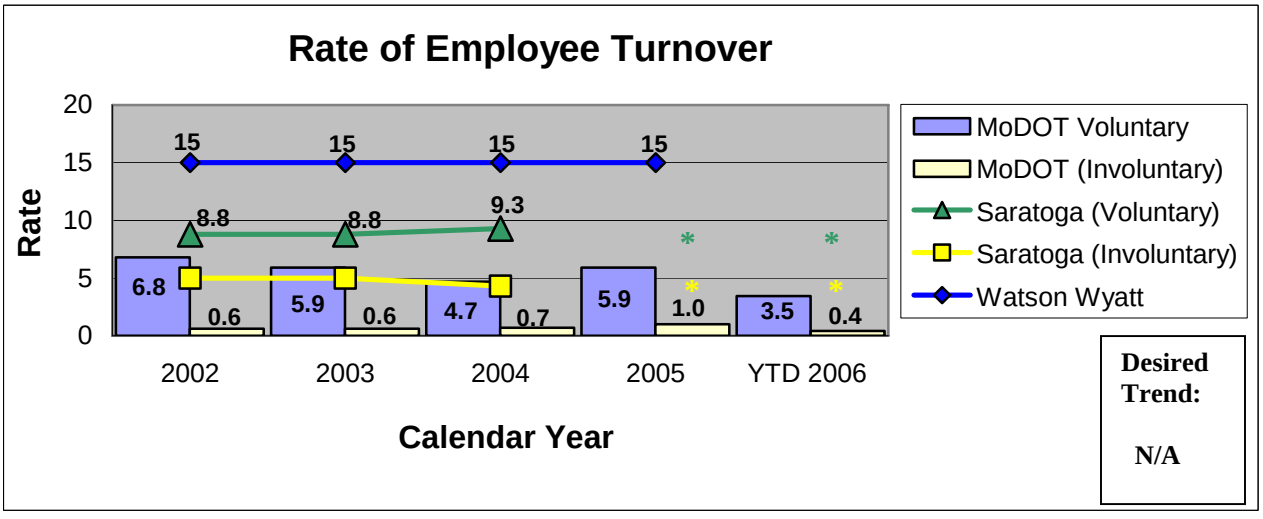
Rate of employee turnover

Result Driver: Roberta Broeker, Chief Financial Officer
Measurement Driver: Micki Knudsen, Human Resources Director

Purpose of the Measure:
This measure tracks the percentage of employees who leave MoDOT annually and compares the department's turnover rate to benchmarked data. Voluntary turnover includes resignations and retirements. Involuntary turnover includes dismissals only. Turnover rate includes voluntary separations, involuntary separations, and deceased employees.

Measurement and Data Collection:
The data will be collected statewide to assess employee overall turnover. Comparison data will be collected from various sources annually. For benchmarked data, Saratoga Institute surveyed 288 organizations representing a wide variety of industries. In addition, the Watson Wyatt study determined the optimum turnover rate as determined by impact on organizational financial performance.

Improvement Status:
Through June 2006, there have been 253 separations with 39 percent due to retirement and 47 percent due to resignations during the first half of calendar year 2006. There were 45 employees in civil engineering positions who left MoDOT so far this year, 17 of these were in managerial positions. Another professional area that is experiencing increased turnover is with our information technologists. In the last 12 months, the Information Systems Division (IS) has experienced a 12 percent turnover rate, which is significantly higher than the department as a whole. The Human Resources Division worked with IS management to address classification issues that are inhibiting the ability to attract and retain qualified candidates needed due to increased turnover in key first line supervisory positions. These changes take effect August 1.



** Saratoga's data for CY 2005 or YTD 2006 is unavailable at the time of print.*

Best Value for Every Dollar Spent

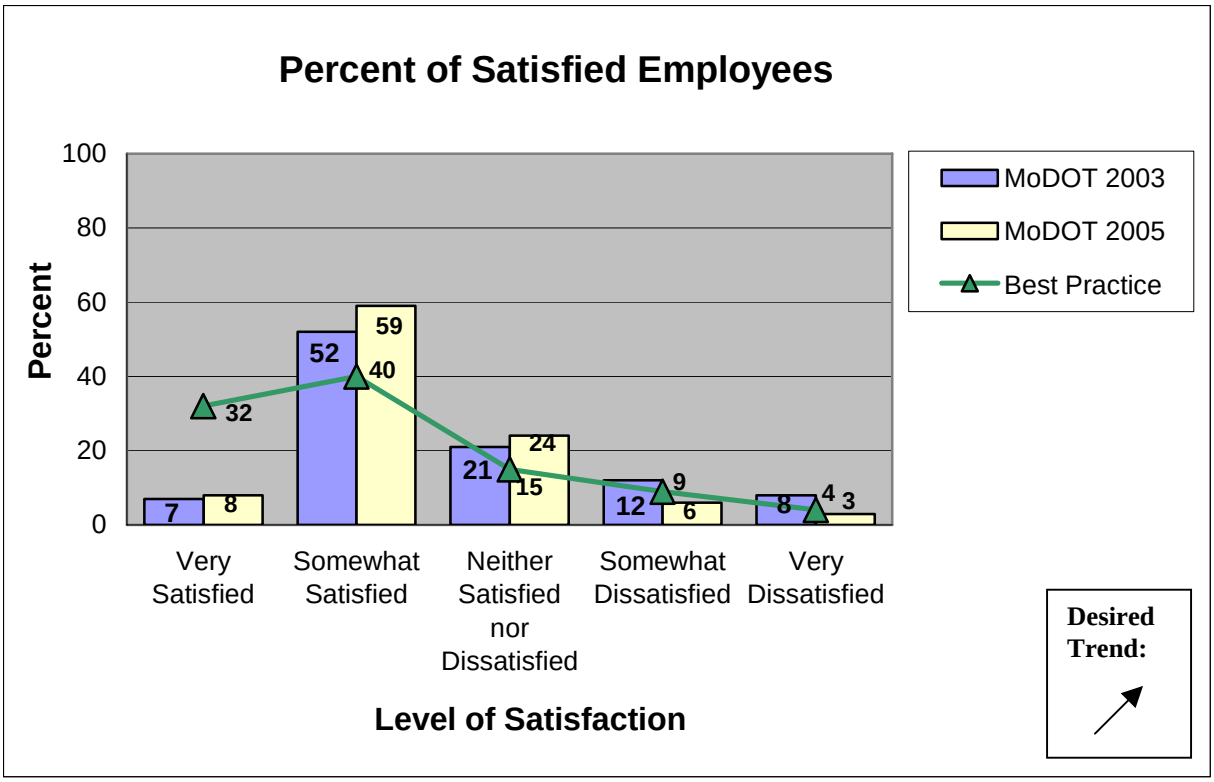
Percent of satisfied employees

Result Driver: Roberta Broeker, Chief Financial Officer
Measurement Driver: Micki Knudsen, Human Resources Director

Purpose of the Measure:
This measures the level of employee satisfaction throughout the department in comparison to the organization that scored the best in employee satisfaction using the same survey instrument.

Measurement and Data Collection:
Employee satisfaction is measured using 18 items from an annual employee survey. Best practice data for an anonymous company was provided by the vendor contracted to conduct the employee survey.

Improvement Status:
The employee satisfaction subcommittee of senior management and Employee Advisory Council members has implemented an action plan to address four of the seven recommendations from the Employee Satisfaction Survey. The action plan includes items to address morale, trust, empowerment, communication, and organizational fairness. The team's strategies for improving communication were shared at the June SMT meeting. Strategies for improving empowerment were shared in July. The assessment tool for first line supervisors was sent to all maintenance employees in June; however, the response rate was only 28 percent. Analysis of the data and comments will be completed in August.



Best Value for Every Dollar Spent

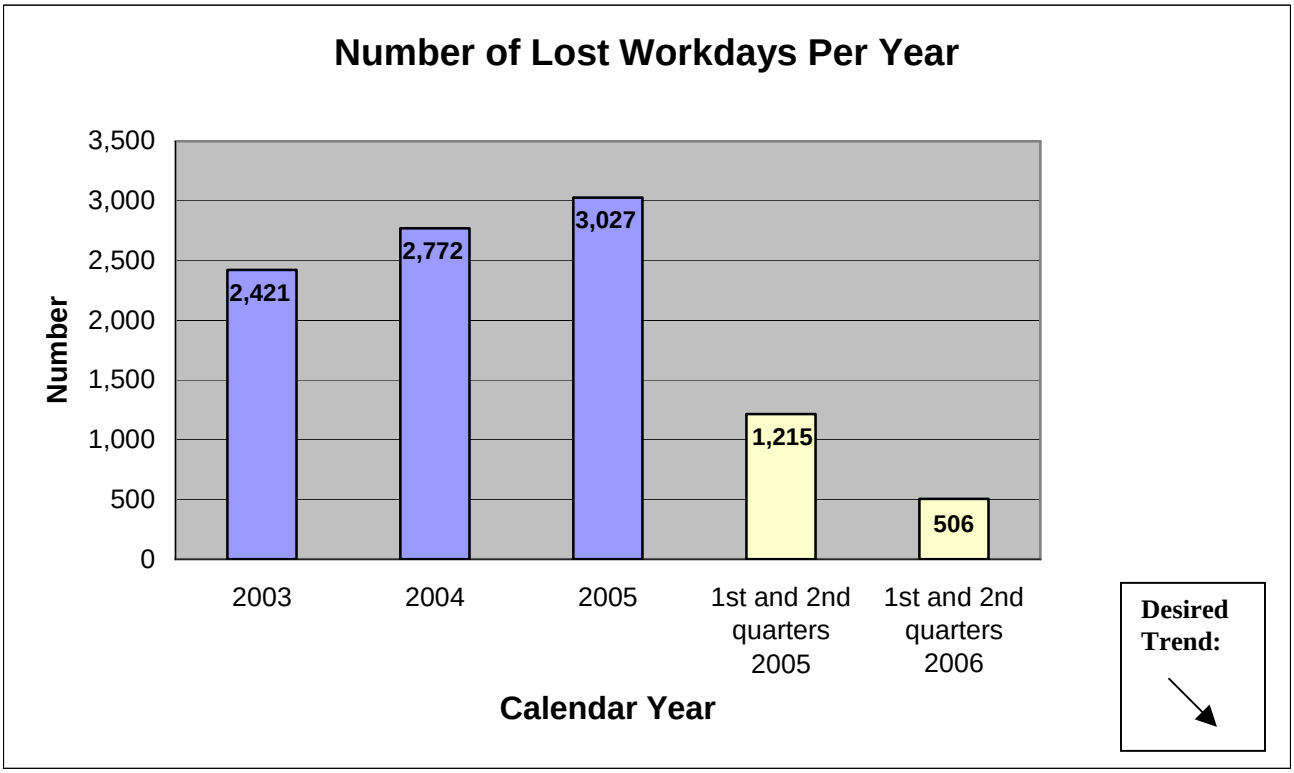
Number of lost workdays per year

Result Driver: Roberta Broeker, Chief Financial Officer
Measurement Driver: Beth Ring, Risk Management Director

Purpose of the Measure:
This measure tracks the actual number of days that employees cannot work due to work-related injuries sustained during the reporting period. Note that the results do not include lost workdays for injuries that occurred during previous reporting periods. (Example: an employee that is injured on December 31, 2005 and is off during January of 2006 will not show up as lost time in 2006 because the incident occurred during the previous reporting period.)

Measurement and Data Collection:
The data is collected from Riskmaster, the risk management software, and reported quarterly.

Improvement Status:
The number of lost workdays for 1st and 2nd quarters of 2006 is 58 percent lower than the same period last year. Likewise, the number of lost-time incidents decreased by 61 percent for the same period. MoDOT continues to develop and implement new safety-related initiatives to further reduce lost workdays, including a new safety recognition program, a work simulation physical exam, and a fitness for duty program. The department is working diligently to identify and provide light-duty assignments for injured workers with restrictions in an effort to get them back to work quickly.



Best Value for Every Dollar Spent

Building expenditures per square foot

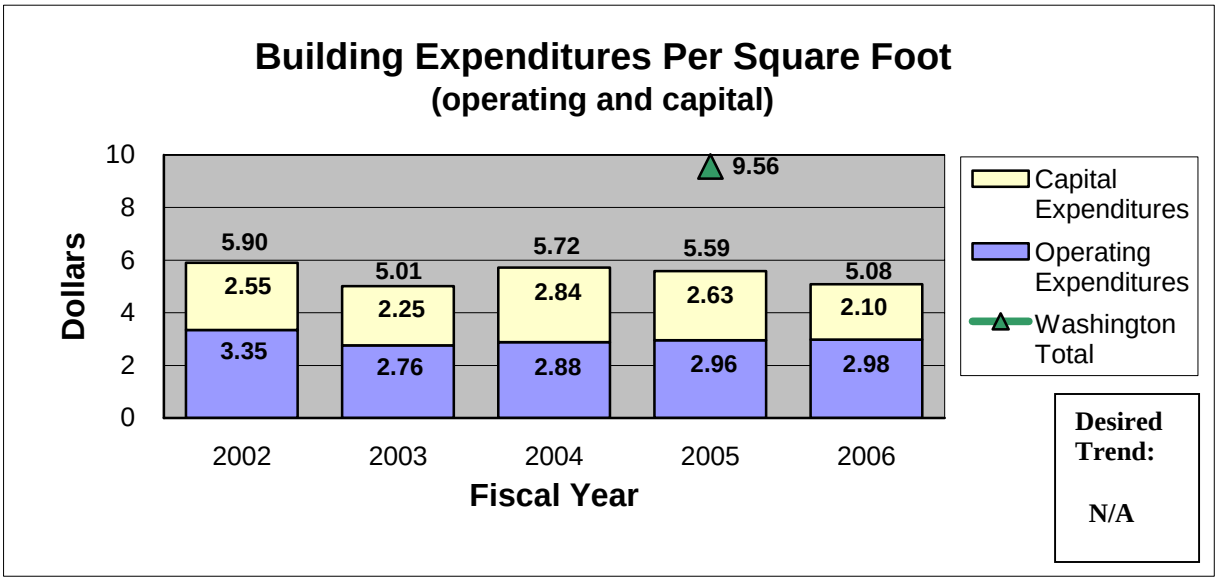
Result Driver: Roberta Broeker, Chief Financial Officer
Measurement Driver: Chris Devore, General Service Manager - Facilities

Purpose of the Measure:
This measure tracks the cost of operating department buildings, building capital improvements and capital asset preservation projects.

Measurement and Data Collection:
The data is collected based on expenditures recorded in the statewide financial accounting system. The following expenditures are included in the analysis: the cost of labor, benefits, and materials for central office facilities management and facilities maintenance. It does not include the employer's share of Social Security/Medicare taxes and the department's match for deferred compensation. Operating expenditures, including repair supplies, custodial supplies, janitorial and other services, maintenance and repair services, building and storage leases, and utilities have been included. Capital expenditures include new construction and asset preservation projects.

Improvement Status:
As operational needs developed, extra consideration and funding were expended to repair/replace with energy efficient options. These improvements have included, but are not limited to, installing energy efficient windows, overhead doors, and new HVAC system and insulating maintenance bays. There was a decrease in capital expenditures in FY 2006 due to a decrease in budget allocation.

The benchmark is from the Washington State DOT (WSDOT). Based on its budget the approximate capital expenditures for 2005 were $3.44 per square foot and the approximate operating expenditures were $6.12 per square foot.



Best Value for Every Dollar Spent

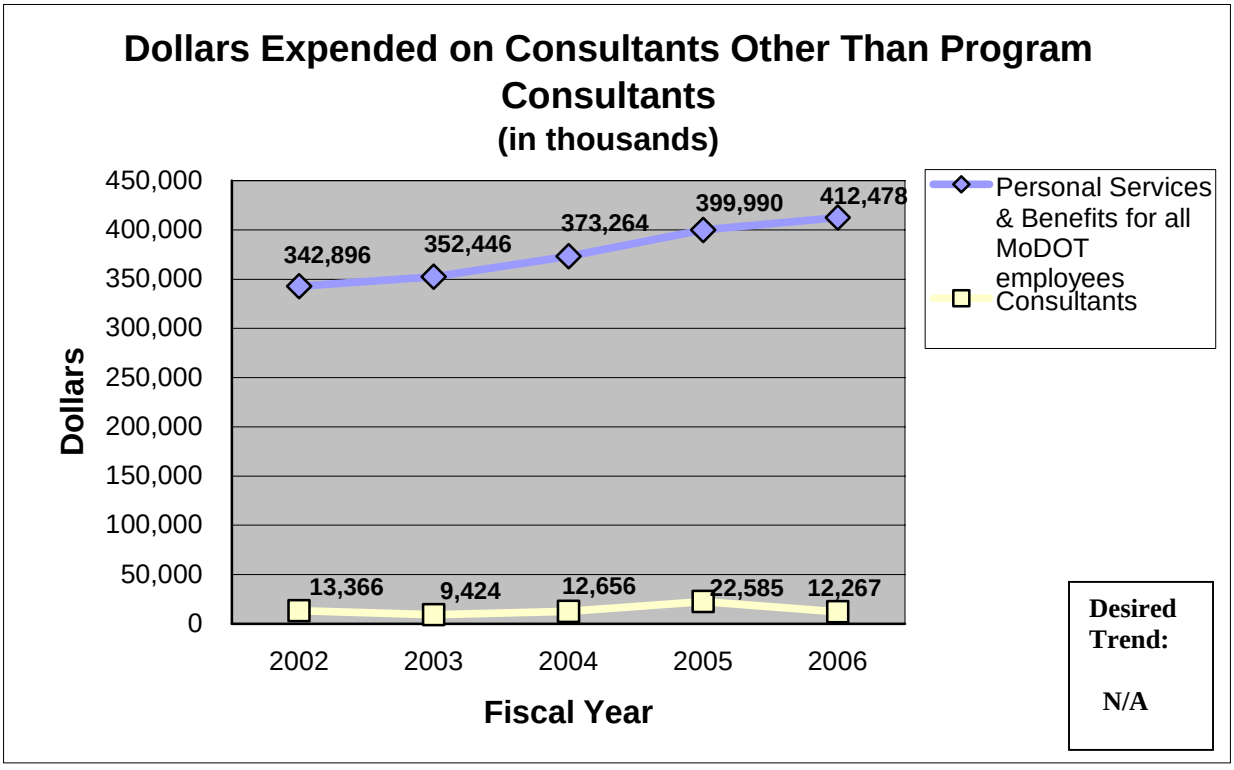
Dollars expended on consultants other than program consultants

Result Driver: Roberta Broeker, Chief Financial Officer
Measurement Driver: Debbie Rickard, Controller

Purpose of the Measure:
The measure tracks the department's use of consultants for other than right of way and construction. The department utilizes consultants to complement employee resources and expertise. Reporting heightens awareness and provides a tool to measure the utilization of consultants.

Measurement and Data Collection:
The data is collected based on expenditures recorded in the statewide financial accounting system. The data includes expenditures for professional services and computer information services.

Improvement Status:
Expenditures for consultants in a fiscal year are dependent on the department's needs. Fluctuations between fiscal years are not abnormal. The department will continue to utilize non-design consultants for specialized services and to supplement available employee resources. FY 2006 information systems' projects utilizing consultants include the completion of the Motor Carrier Services' integrated software project, the Realty Asset Inventory Management System, and the State Transportation Improvement Program Enhancement. Estimated consultant costs related to these projects total $3.6 million. Other anticipated consultant costs in FY 2006 include the Missouri Statewide Traveler Information system and completion of the MoDOT Emergency Communication Services system.



Best Value for Every Dollar Spent

Percent of vendor invoices paid on time

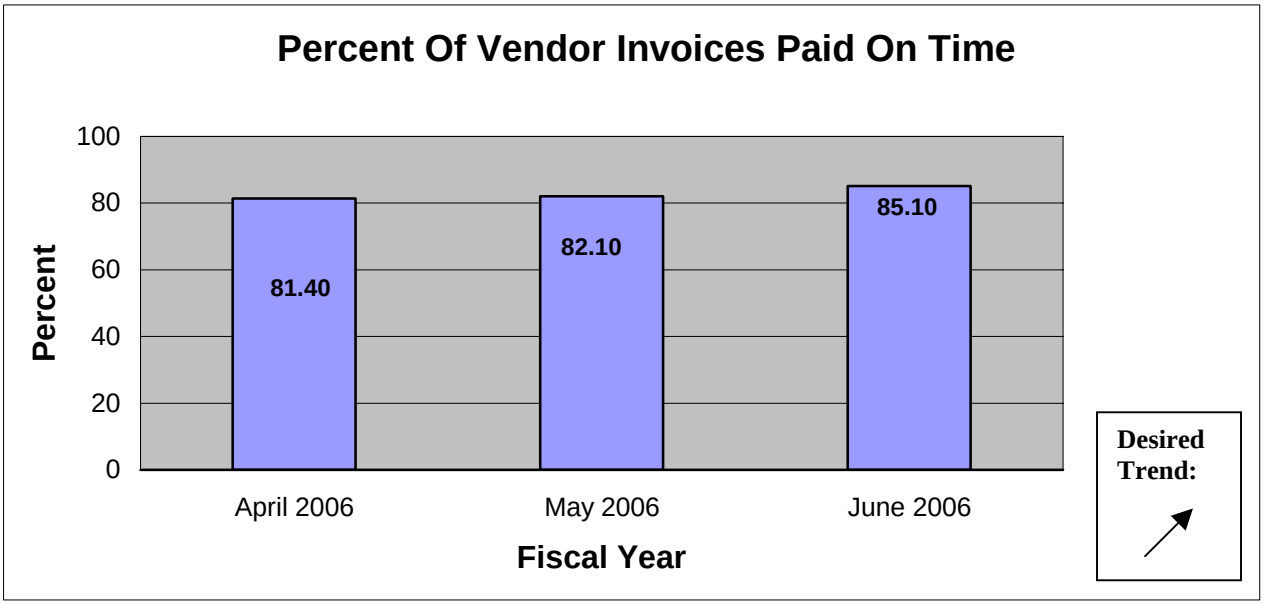
Result Driver: Roberta Broeker, Chief Financial Officer
Measurement Driver: Debbie Rickard, Controller

Purpose of the Measure:
This measure tracks the Department's timeliness in processing vendor payments.

Measurement and Data Collection:
The check date determines if invoice payment is timely. Timely is defined as a check issued less than 31 days from the date of the invoice.

Improvement Status:
Vendors age their receivables based on the date of invoice. The measure indicates there are still opportunities for improvements to ensure vendors consider the department a good customer. The steps to further improve are: (1) Identify specific vendors experiencing delayed payment and work with those vendors to obtain timely, accurate invoices (2) Determine if delayed payments are common to a particular division within central office or a district, and (3) Identify processes contributing to the delayed payment.

District and divisional analysis tools have been developed to assist in identifying areas where improvements can be made.



Best Value for Every Dollar Spent

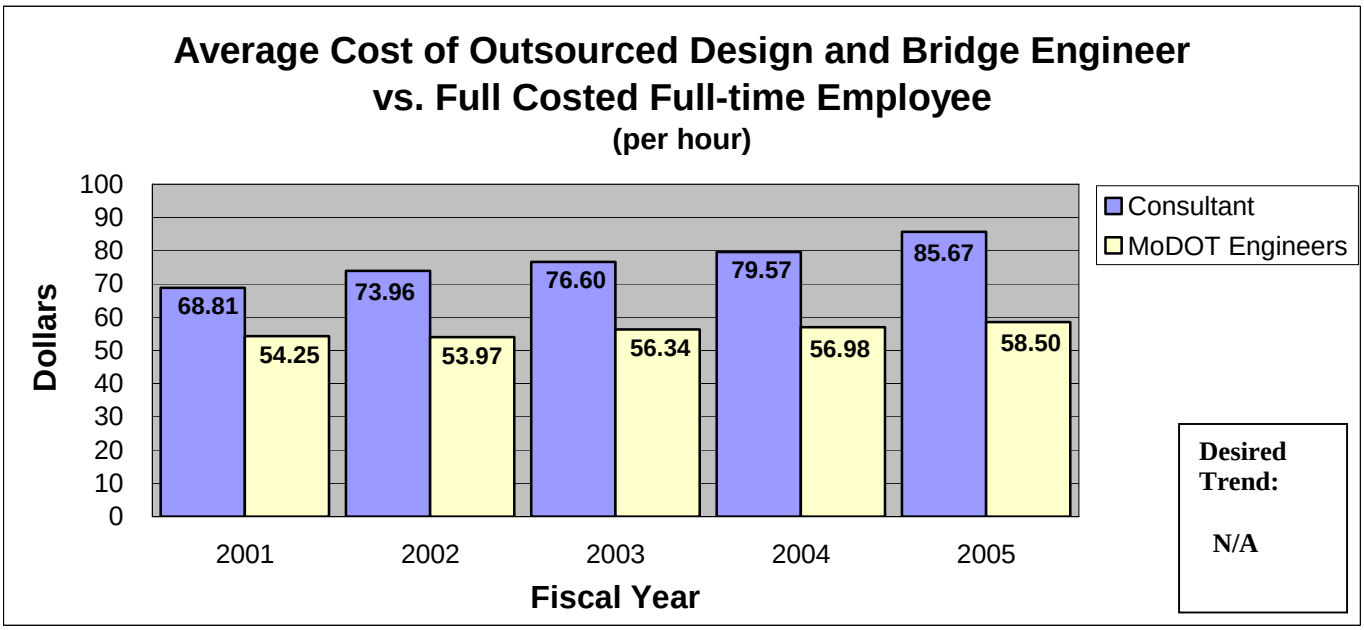
Average cost of outsourced design and bridge engineer vs. full costed full-time employee

Result Driver: Roberta Broeker, Chief Financial Officer
Measurement Driver: Debbie Rickard, Controller

Purpose of the Measure:
The purpose of the measure is to demonstrate a responsible use of taxpayers' money, with the emphasis of spending for design and bridge engineering efforts.

Measurement and Data Collection:
The data collection is based on outsourced contracts and employee expenditures.

Improvement Status:
The process is to measure external design consultant costs and compare to MoDOT staff design engineer costs. Both categories are fully costed and comparable. Consultant rates increased 7.1 percent from 2004 to 2005 while MoDOT design and bridge engineer costs increased 2.6 percent for the same period. The desired trend is to narrow the profit factor gap between the two rates.



Best Value for Every Dollar Spent

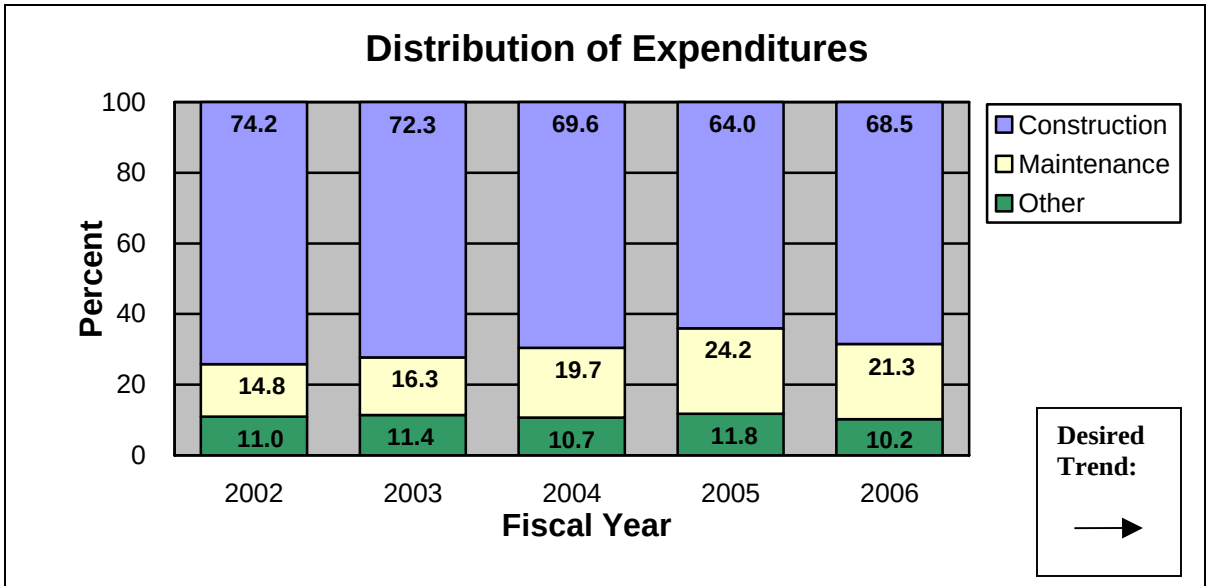
Distribution of expenditures

Result Driver: Roberta Broeker, Chief Financial Officer
Measurement Driver: Debbie Rickard, Controller

Purpose of the Measure:
The purpose of the measure is to demonstrate a responsible use of taxpayers' money, with the emphasis of spending on the construction and maintenance of our transportation system.

Measurement and Data Collection:
The data collection is based on cash expenditures by appropriation. Construction and maintenance expenditures are defined as expenditures from the construction and maintenance appropriations. Other expenditures include: administration, multimodal, information systems, fleet, facilities, and other services appropriations.

Improvement Status:
The department's emphasis is on expenditures for routine maintenance of the system (maintenance appropriation) and renovation and construction of the system (construction appropriation). Construction expenditures have increased overall, percentage and dollars, as construction projects have accelerated as a result of bond proceeds. Expenditures from appropriations other than construction and maintenance remain constant, which is consistent with the desired trend.



	Thousands of Dollars				
	2002	**2003**	**2004**	**2005**	**2006**
Construction	$ 1,328,787	$ 1,302,824	$ 1,247,541	$ 1,085,840	$1,373,699
Maintenance	$ 263,990	$ 291,982	$ 353,339	$ 409,912	$ 426,215
Other	$ 196,260	$ 205,558	$ 192,357	$ 200,791	$ 203,925

Best Value for Every Dollar Spent

Percent variance of actual state highway user revenue vs. projections

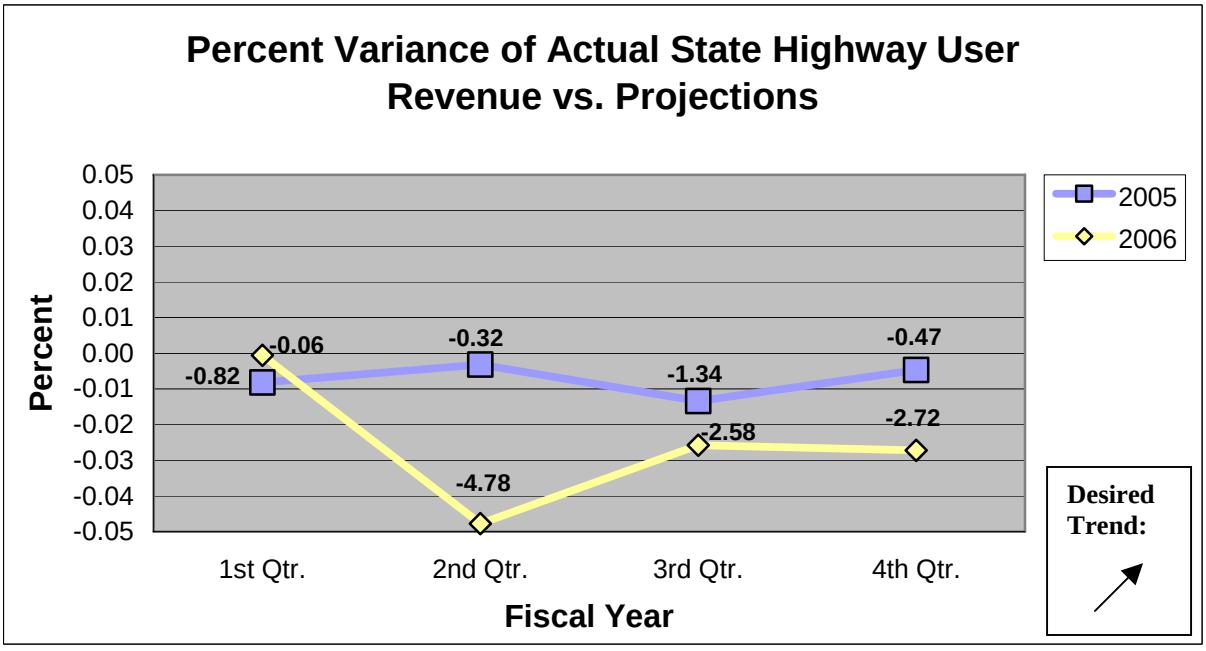
Result Driver: Roberta Broeker, Chief Financial Officer
Measurement Driver: Ben Reeser, Finance Coordinator

Purpose of the Measure:
The measure shows the precision of the state highway user revenue projections.

Measurement and Data Collection:
State highway user revenue includes: Motor Fuel Taxes, which are taxes collected on each gallon of motor fuel purchased; License and Fees, which are driver licenses and taxes and fees collected on motor vehicle licensing and registrations; and Sales and Use Taxes, which are taxes collected on the purchase of motor vehicles.

Projections are based on the current financial forecast. Percent is based on year-to-date revenues. The actual data is provided monthly to Resource Management by the Controller's Office.

Improvement Status:
The actual state highway user revenue is less than projections through the fourth quarter of fiscal year 2006. The projected revenue was $1,000.3 million. However, the actual receipts were $973.1 million, a difference of $27.2 million and a negative variance of 2.72%. The desired trend is for the actual revenue to match projections with a variance of 0 percent. MoDOT staff continues to analyze current revenue trends in preparation for the next forecast.



Best Value for Every Dollar Spent

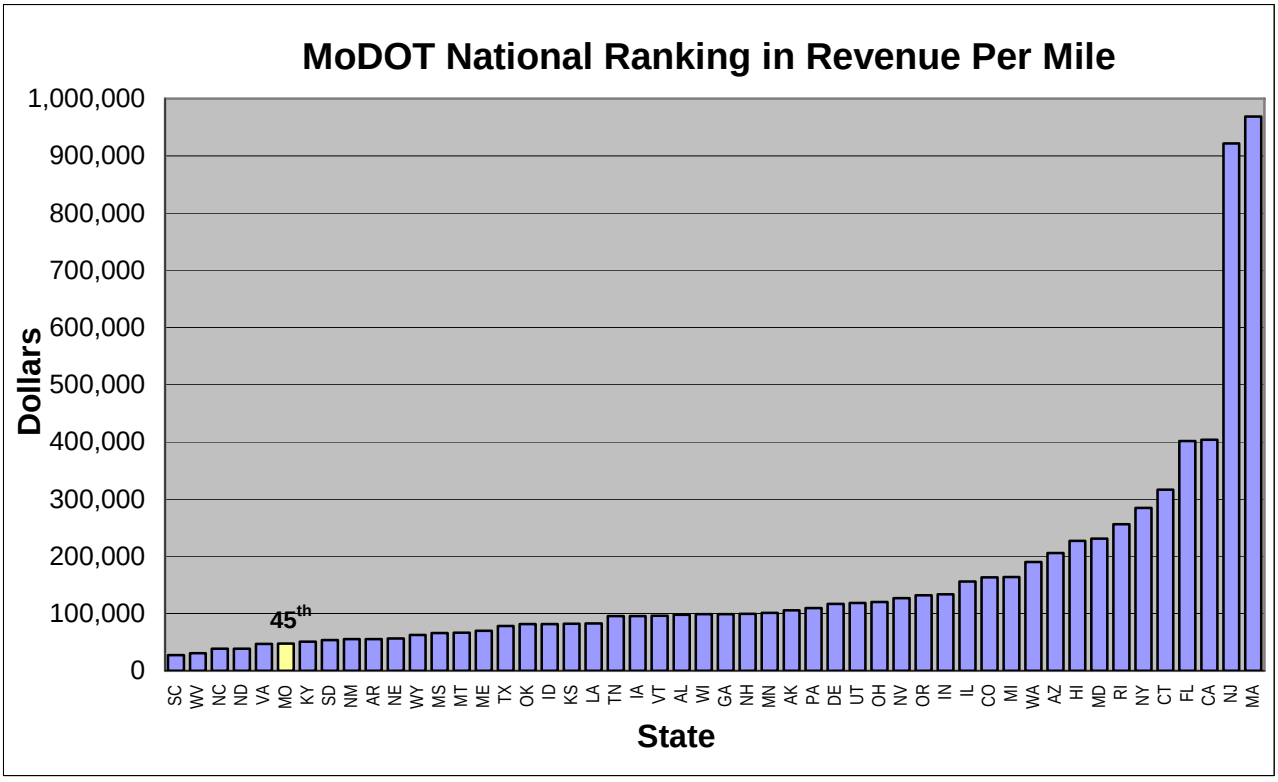
MoDOT national ranking in revenue per mile

Result Driver: Roberta Broeker, Chief Financial Officer
Measurement Driver: Ben Reeser, Finance Coordinator

Purpose of the Measure:
This measure shows Missouri's national ranking in the amount of revenue per mile that is available to spend on the state highway system.

Measurement and Data Collection:
Revenue is the total receipts less bonds as reported in the Federal Highway Administration's annual highway statistics report entitled, *Revenues Used By States For State-Administered Highways*. The mileage is the state highway agency miles as reported in the Federal Highway Administration's annual highway statistics report entitled, *Public Road Length – Miles By Ownership*. Resource Management collects this information from the Federal Highway Administration.

Improvement Status:
Missouri's revenue per mile of $47,463 currently ranks 45th in the nation. Missouri has a very large state highway system, consisting of 32,471 miles, which is the 7th largest system in the nation. Massachusetts revenue per mile of $968,448 ranks 1st, however, their state highway system contains only 2,841 miles.
MoDOT staff continues to communicate with the public the need for additional transportation funding. Missouri's transportation needs greatly exceed current available funding.



Best Value for Every Dollar Spent

Fleet expenses compared to fleet value

Result Driver: Roberta Broeker, Chief Financial Officer
Measurement Driver: Jeannie Wilson, General Services Manager - Fleet

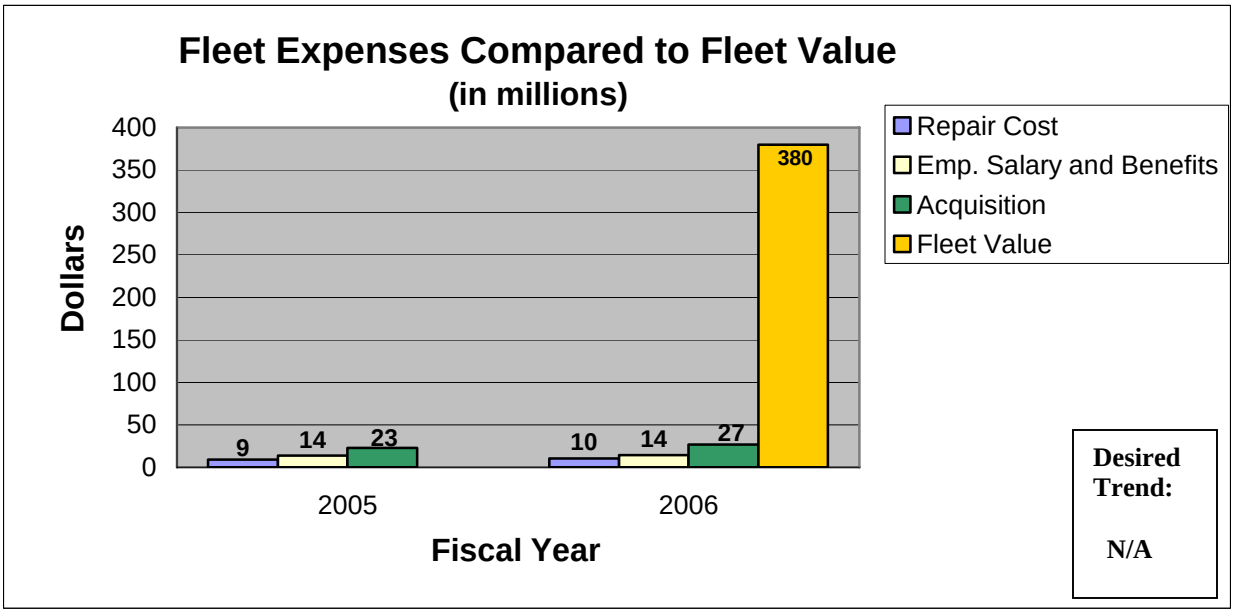
Purpose of the Measure:
This measure tracks costs for MoDOT's fleet, as well as its condition. The first chart compares repair cost, acquisition expenditures, and total fleet value. The second chart provides an overall fleet condition status based on actual fleet age and meter compared to maximum life cycle thresholds.

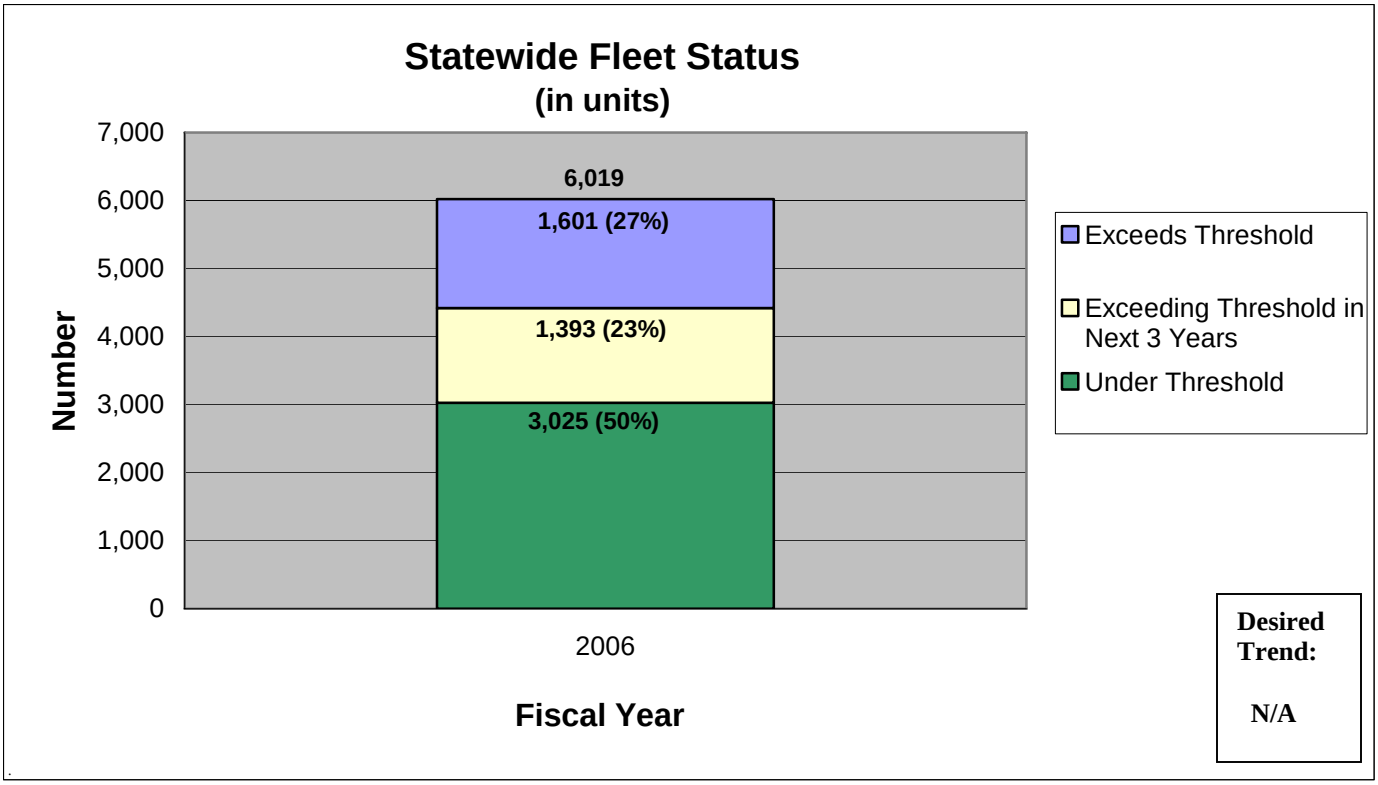
Measurement and Data Collection:
The expenditures are collected from the statewide financial accounting system. All costs associated with repairs, supplies and maintenance for all fleet items are included in the analysis. Fleet value is established based on current replacement cost for all active units.

Age and meter thresholds were established based on maximum life usefulness. Units are identified as either exceeding their primary life cycle for either its age or meter, reaching maximum primary life in the next three years; and not exceeding the threshold within the next three years.

Improvement Status:
The repair costs to MoDOT's fleet increased $1 million to $10 million from FY 2005 to FY 2006, while MoDOT's salary and benefit costs for its fleet employees remained the same at $14 million in both fiscal years. Acquisition costs for new fleet increased $4 million to $27 million from FY 2005 to FY 2006. The total value of MoDOT's fleet in 2006 was $380 million.

The Fleet Optimization Team was formed in March 2006 and met weekly through April to review the current fleet structure and to identify process and policy changes that would result in better overall fleet management. The team provided recommendations to management in May 2006. Team members, along with fleet services and district staff, will be implementing recommendations to eliminate underutilized equipment as the first step in right-sizing the fleet.




Statewide Fleet Status
(in units)
7,000
6,000
5,000
4,000
3,000
2,000
1,000
0
Number
6,019
1,601 (27%)
1,393 (23%)
3,025 (50%)
2006
Fiscal Year
Exceeds Threshold
Exceeding Threshold in Next 3 Years
Under Threshold
Desired Trend:
N/A

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